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Report Highlights:

This report provides information on Serbian regulations and standards concerning food and agricultural products. It includes updates of Serbian legislations in the areas of food safety, animal identification, pesticides and contaminants and labeling requirements. The report also updates contact information of relevant government agencies following the formation of a new Serbian government. Due to the difficult political situation in Serbia, drafts of several new laws on food safety, plant protection and veterinary regulations are still waiting for approval.

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DISCLAIMER:

This report was prepared by the Office of Agricultural Affairs of the USDA/Foreign Agricultural Service in Belgrade, Serbia for U.S. exporters of food and agricultural products. While every possible care was taken in the preparation of this report, information provided may not be completely accurate either because policies have changed since its preparation, or because clear and consistent information about these policies was not available. It is highly recommended that U.S. exporters verify the full set of import requirements with their foreign customers, who are normally best equipped to research such matters with local authorities, before any goods are shipped. FINAL IMPORT APPROVAL OF ANY PRODUCT IS SUBJECT TO THE IMPORTING COUNTRY'S RULES AND REGULATIONS AS INTERPRETED BY BORDER OFFICIALS AT THE TIME OF PRODUCT ENTRY.

NOTE:

Serbian had been through a difficult period of political instability this year following the unilateral declaration of independence of its Kosovo Province on February 17 and the ensuing collapse of the coalition government in March 2008. A new parliamentary election was held on May 11, 2008 that led to the formation of a Pro-European government, which was approved by the new Parliament on July 7. Due to lack of action by the Serbian Parliament during the past year, several new laws on food safety, plant protection and veterinary regulations are waiting for approval and most likely will not be finished by the end of fall.

SECTION I. FOOD LAW

The responsibilities for food and feed controls in Serbia are distributed between the Ministry of Agriculture and the Ministry of Health. Although management and organization of official controls are in place, overlapping and unclear repartition of competences hampers the effectiveness of the system. The Ministry of Agriculture issues import approvals for foods of animal origin, veterinary drugs, seeds, planting materials and pesticides. For other products, permits are not required. The Ministry of Agriculture has Veterinary, Phytosanitary and Quality Inspection units that issue certificates. The inspections take place at border crossings. The Ministry of Health has domestic sanitation inspection and sanitary inspections for customs domain responsible for the wholesomeness of the imported foods (SR Official Gazette No 125/2004). Sanitary inspection of the imported food takes place at the customs clearance points located in Belgrade, Subotica, Dimitrovgrad, Sabac, and Presevo. The Ministry of Trade and Services has distinct "Market Inspection" units that are charged with quality control for imported foods. They inspect imported food products at the customs points and inspect food in retail distribution.

The Veterinary Law adopted by the Serbian Parliament in 2005 and published in the Official Gazette 91/2005 is still effective in Serbia. This law defines the protection and enhancement of animal health and welfare. It identifies animal diseases that are subject to the measures aimed at their prevention, detection, containment and eradication. The current law deals with diseases transmittable to humans, the veterinary sanitary control and the requirements for production and circulation of animals and their products, edible animal products and animal feed, and the requirements for engagement in the practice of veterinary medicine. Following the adoption of this law, a number of related rulebooks were re-written to reflect changes.

A draft of a new Serbian Veterinary law, written in accordance with the recently drafted Food Safety Law and Animal Welfare Law has been completed. The draft of the new law received positive reviews and would likely be submitted to Parliament for final approval in

fall 2008. The new veterinary law is expected to have a larger number of rulebooks than the current law and to be harmonized with EU legislations and requirements, and fully consistent with the Sanitary and Phytosanitary (SPS) agreement of the WTO.

The following laws and regulations are relevant both for locally processed and imported foods:

- The Law on Sanitary Control of Food and Goods of General Use that Serbia is currently applying is actually the old Law of the Socialist Republic of Yugoslavia (Official Gazette No. 53/1991, re-published in the Official Gazette No. 37/2002). This law applies to foods, spices, additives, processing equipment, packaging material as well as tobacco products. It regulates both food hygiene (subject to specific ordinances, residues, changes in food quality due to the physical, chemical, microbiological and other processes, expiry date, original package and bulk-packaged foods labeling) and nutritive value (subject to the specific ordinances regulating quality of each type of food). Sanitary inspectors work in accordance to this law.
- Enforcement is done in accordance with the Laws on Market Inspection (Serbian Official Gazette No 39/96, 101/05) and the Law on Quality Control of Imported and Exported Goods (Federal Official Gazette No. 12/95, 28/96, 59/98, 101/2005). Quality control for all types of products is done by visual checks and for products listed in the above-mentioned laws (almost everything that is considered as food), additional safety checks are done, using laboratory testing on basic ingredients. Visual checks involve product identification (origin, type, quantity), determining if labeling and packaging requirements have been met, and checking for the necessary statements containing the importer's name and address, the product's general appearance, taste, flavor, presence of residues, color, structure, checking if the transportation requirements have been met, etc. Specific ordinances define sampling procedures.

Quality control of imported products can be done again after the import procedure has been completed and prior to retail distribution on the market. Inspection can be done also after the retail distribution in the store. The quality of individual groups of products is subject to specific ordinances (e.g. Quality of Meat and Meat Products, Official Gazette No. 33/04; Quality of Milk and Milk Products - Official Gazette No. SRJ 26/02 and SCG 5/2004, Quality of Honey and other Bee Products - Official Gazette No. SRJ 45/03, Quality of Beer, Official Gazette No. SRJ 45/03 - Quality of Animal Food Official Gazette No. SRJ 38/2001, Quality of Raw Coffee and Coffee Products - Official Gazette No. SRJ 35/2001 and SRJ 49/2001, Quality of Fish, Crabs, Shellfish, Sea Urchins, Frogs, Snails and their products - Official Gazette No. SRJ 6/2003, SCG 56/2004, Quality of Fruit, Vegetables and Mushrooms - Official Gazette No. SFRJ br. 29/79, 53/87, SCG", br. 31/2003, 56/2003 4/2004) etc.

Legislations on veterinary matters, identification of animals, and notification of diseases, were adopted in October 2005 following the adoption of an overall strategy for the agriculture sector. Serbia has established an animal identification and registration system for cattle, sheep and swine (presently regulated by the Rulebook of the Determination of the Animals Health Protection Program Measures for 2008). Serbia has already achieved good results in terms of administrative capacity building for policy formulation by establishing a policy unit within the Ministry of Agriculture. However, progress has been slow in the adoption of remaining legislation, such as the Food Safety Law, Animal Welfare Law, Plant Health Law, Law on Seed, Law on Seed Breeder's Rights Protection, Law on GMO and Law on Wine, among others. New drafts of the Plant Health Law, the Food Safety Law and Veterinary Law have been completed and are ready to enter the government's approval process. This will likely take place in fall 2008.

The longstanding disagreement between the Ministries of Agriculture and the Ministry of Health regarding overlapping responsibilities for inspection, which has been one of the obstacles to Serbia's WTO accession in the area of agriculture, is on the verge of a final resolution. The new draft of the Food Safety Law clearly delineates the responsibilities of the relevant ministries. Beyond resolving the "double inspection" issue, the new draft law is written in compliance with the WTO/SPS Agreement and EU legislation. It will govern the conditions for production and distribution of safe food and feed, duties and responsibilities of food and feed business operators, rapid alert system, emergency measures and crisis management, food and feed hygiene and quality and establishment of the Food Safety Agency. It is expected that the new Food Safety Law would be approved by the Serbian Parliament in fall 2008.

The draft of the Law on Plant Health Protection, which was completed in 2006, has been revised and is presently waiting to enter the final approval process. The proposed law reportedly will regulate plant health protection and plant health improvement, measures for introduction, detection and suppression of parasites, phyto-sanitary control, production conditions, processing, finishing, import and storage conditions, trade of plants and plant products, overall conditions for activities in the area of plant protection. The legislation of the new draft Plant Health Law is compliant with SPS. This is one of the most important laws for Serbia regarding WTO and bilateral trade, the International Plant Protection Convention (IPPC), European and Mediterranean Plant Protection Organization (EPPO).

A new Law on Genetically Modified Organisms (GMO) went through public discussion and received positive reviews from the Serbian Chamber of Commerce and relevant ministries. The new law is expected to be sent to the Serbian Parliament for final approval by the end of 2008. A new draft of the Animal Welfare Law, which will enforce regulations concerning animal welfare, is ready to be enclosed for public discussion. Following the adoption of this law, a number of related rulebooks are expected to be issued to stipulate regulations of the new law. New drafts of the Law on Pesticides and the Law on Fertilizers have been completed by working groups at the Ministry of Agriculture and pending public discussion.

Serbia started in 2005 to apply the European Union (EU) requirements concerning food safety, marking live animals for tracking and requirements for implementing HACCP and other international standards used in food production. As of July 2008, with joint financial assistance from the USAID and the Serbian Ministry of Agriculture, about 853 producers have participated in HACCP and ISO 9001 certification procedure, and 404 companies have completed the process and became certified. According to the Serbian Agriculture Strategy and Law of Veterinary, HACCP implementation will become mandatory by January 2009 for all food producers and exporters in Serbia. Producers who do not apply HACCP by that time will not be able to market their products.

Serbia is not a member of the World Trade Organization (WTO). The country needs to adopt a series of primary and secondary legislations, including food safety and phytosanitary regulations, in order to bring its economy and agriculture in line with WTO standards. Serbia is a member of the CODEX Alimentarius, the European Plant Protection Organization (EPPO), the Convention of Biodiversity (CBD), the Union of Protection of New Varieties of Plants (UPOV), the World Intellectual Property Organization (WIPO), the European Cooperative Program for Crop Genetic Resources Networks (ECP/GR); and is a signatory of the Aarhus Convention and the International Plant Protection Convention (IPPC). Serbia hosted the Eastern European Seed Network (EESNET) conference on the co-existence between traditional, organic and GMO production that took place in Novi Sad, November 19-21, 2007.

SECTION II. LABELING REQUIREMENTS

General Requirements

The Rule Book for Declaration and Labeling of Packed Food (Official Gazette SRJ, 4/2004, 12/2004, 33/2004 and 48/2004) regulates labeling requirements for packed foods designated for the consumer or public food consumption in Serbia. Food packed in front of the consumers and food commodities whose declaration is regulated by the by-law for wine ("Official Gazette SRJ", No 54/99 and 39/2002) are not subject to this by-law. According to these regulations, a label must be present in both retail and bulk packaged foods and must indicate the following: expiration date, type and content of food additives, type and content of added vitamins, minerals, and other ingredients added to enrich the product's nutritional value. All foods are required to have the label in Serbian language (Rulebook- Official Gazette SCG 12/2004 and 48/2004).

For each type of food product there is a specific ordinance that spells out labeling requirements. Production specification must contain short description of the technological process, basic quality requirements, report related to the completed quality testing as well as the data regulated in the "Declaration and Labeling Packed Food" bylaw. Labels on foods that have been changed nutritionally for special diets must clearly indicate "dietetic food." Content of the declaration label must contain the following:

- 1) Product's name and brand name if any,
- 2) Quantity of the ingredients (see clause 16 of this rule book)
- 3) Product net weight
- 4) Expiration date
- 5) Storage conditions
- 6) Lot number
- 7) Importers name and complete address, country of origin, and the country where from food is coming from
- 8) Usage instructions
- 9) Amount of alcohol for beverage that contains more than 1,2% v/v
- 10) Quality and class of the product if the food is regulated by the special rules under the categorization and classification
- 11) Other data important for the consumers and in accordance with the special rules for certain kind of food. (Official Gazette SL SCG 12/2004-1 clause 2 and rulebook 48/2004-1).

If an original label is in English (e.g. standard U.S. label) or any other language, the seller is obliged to prepare translated stick-on labels and deliver them together with imported products. It is the importer's obligation to place those translated labels on products prior to retail distribution.

Bulk packaged foods designated for bulk sale or in the public facilities for food consumption, must contain the declaration with the following information: product's name and brand name if any, product net-weight (mass or volume), expiration date. For imported foods products, declaration need to have importers name and complete address, country of origin, and the country where from food is coming.

According to this ordinance, the label must be noticeable, visible, clear and legible. The product's and the manufacturer's names must be printed in larger fonts (the size of font is not specified). Labels for margarine and similar products must include the percentage of individual components. If vitamins are added the label must indicate, "Enriched with Vitamins." If the manufacturing and packaging companies are not the same, the label must indicate the company that did the packaging. Labels for honey must include its origin and production method (e.g. comb, liquid, strained honey). If it was imported, it must be

labeled "imported honey." Labels for roasted coffee must indicate its origin and date of roasting.

Meat products must have declaration in accordance with the "the Declaration of the Packed Food Labeling" In the declaration, under the name of the meat product, product subgroup must be indicated, and for caned meat products the title indicating the method of thermo-process has to be included as well. Meat products must indicate, "Chilled", "Frozen", "Heat Treated", "Sliced", "Chopped" etc., and must provide instructions for use and storage if necessary. In a declaration of the meat products, minimum percentage of proteins (total proteins in final product) has to be declared. Allowed variation from the declared net-weight for meat products are as follows:

Declared net-weight in grams	Maximum allowed variation %
Up to 500 g	Up to 2%
Over 500 g	Up to 1%

Average net-mass for 20 packages up to 500 grams and for 10 packages of over 500g must be in accordance with the average declared net-weight.

If products were artificially colored and preserved by preservatives, it must be indicated right below the product's name, e.g. "artificially colored" or "preserved by preservative" as well include an indication as to which chemicals were used. Claims such as "light" and "reduced" are permitted. However, generally labels must not contain words, pictures and drawings and health-related information that could mislead consumers regarding product's origin, quantity and quality.

Additives must be marked on the declaration by its category and name or additive's "E" number (preservers-Sodium Benzoate or preservative E 211), except for the category of "modified starch" which has no denotation of the additive or "E" number. When modified starch may contain gluten, the origin of the starch has to be indicated on the declaration (wheat, barley, rye and oat). For the additives belonging to the acid category and contain word "acid" within the actual name, it is sufficient to quote only denotation of the additive without category.

Description of the nutritive values may contain data about the following component: starch, poliol, monounsaturated fatty acids, polyunsaturated fatty acids, cholesterol, minerals and vitamins.

The Serbian Law governing biotechnology, Official Gazette No. 21/2001, regulates food products produced from Genetically Modified Organisms (GMO). The law and derived rulebooks have been designed to follow regulations adopted and implemented by the European Union (EU) directives 90/220 and 90/219, EC 2001/18, 1829/2002, 1830/2003, 146/2003). The biotech law allows research or use of biotech events, but puts them under strict supervision of the state. Permits for work, research, contained use and marketing can be obtained by anyone who can meet the regulated requirements. Shipments and imports of soybeans, soybean meal and corn (and food byproducts) are tested for biotech content at the border. Detection of GMOs is PCR based. Regulations on labeling for "GMO content" were issued by the Serbian Ministry of Health in 2003 (Official Gazette SCG, no. 6/2003). According to this regulation, all commercial and retail food/feed labels on products with biotech content (0.9 percent minimum) must include a yellow triangle, framed with red border and containing the letters in English "GMO" (black letters).

A draft of a new Serbian law on GMO, which was initially completed in September 2006, has been revised and is currently in the approval process. We expect the scope of the new law

on GMO to expand and its regulations to cover a wider range of issues than the existing law. There will be a larger number of rulebooks to stipulate regulations of the new law and it is anticipated that these rulebooks will be written in accordance with EU regulations.

Food samples shipped to Serbia do not need to be labeled. Samples should be marked clearly on all packaging of shipped products: "Samples - not for sale."

B. Requirements Specific to Nutritional Labeling:

Nutritional declaration, allowed nutritional statements and conditions for their highlight are regulated by the clause 29, 30, 31 and 32 of The Rule Book for Declaration and Labeling of Packed Food (Official Gazette SRJ, 4/2004, 12/2004, 33/2004 and 48/2004). Nutritional declaration is mandatory when declaration contains nutritional statement such as low energy level, low fat content, high content of caffeine (>150 mg/l), low sugar content, enriched with vitamins..., otherwise is voluntary. Since this rulebook is not regulating appearance of the nutritional declaration but only its content, the format of the US "nutritional facts" is acceptable.

Part of the text of the food product name may contain the following statement: "with sweetener" (if product contains one or more sweeteners); "with sugar and sweetener addition" (if one or more different sugars and sweeteners were added into the product); "contain source of phenylalanine" (if the product contain aspartame -E591); "excessive usage may cause laxative effect" (if the product contain more than 10% additional polys). These need to be highlighted. Specific advertising such as "You would not believe that something so light could taste so good" for an ice cream product, is not forbidden if this type of advertisement is in accordance with The Rule Book for Declaration and Labeling of Packed Food Labeling. In regards to the health claims only "structure-function claims" are allowed (statement related to the positive effects into the certain functions in organism). However, these statements cannot refer to a particular illness or pathological condition (Law on Health Correctness of Food and Subjects of General Use, Official Gazette SFRJ, no. 53/91, Official Gazette SRJ, no. 24/94, 28/96 and 37/2002). Special health claims stating risk reduction from a particular illness (for example sodium and hypertension) cannot be used.

SECTION III. PACKAGING AND CONTAINER REQUIREMENTS

Packaging requirements are subject to specific ordinances for each type of food. For example, packaging material for raw coffee packed in ½ kg units must weigh less than 50 g. per square meter. Packaging requirements for fresh seafood products are very comprehensive (Quality of Fish, Crabs, Shellfish, Sea Urchins, Frogs, Snails and their products, Official Gazette SRJ No. SRJ 6/2003, SCG 56/2004- clause 3 and The Rule Book for Declaration and Labeling of Packed Food, Official Gazette SRJ, 4/2004, 12/2004, 33/2004 and 48/2004, clause 8) etc. However, in most cases there are no special requirements concerning packaging material and container size. Most Serbian consumers prefer smaller packages and are price sensitive.

The Law on Waste Material Handling (Official Gazette RS, no. 25/96) regulates the waste material that can be used as a secondary material; manage its collection, conditions of processing and storage. The Ministry of Environmental Protection prepared a draft Law on Waste Management that complies with the EU directive. This Law does not regulating material for food packaging. Collection and recycling of already used packaging materials is regulated by the Law on Waste Material Handling and by the Rulebook on Secondary Material Classification, Packaging and Storage Conditions and Handling (Official Gazette RS, no. 55/01). Communal Waste Management, including food and beverage packaging

material, is under the local and municipal supervision. Draft of the Law on Waste Material Management has been given for public discussion and the Law on Packaging Material and Waste Packaging Material is currently in the final drafting stage. There are no specific restrictions or limitations on the use of packaging materials such as PVC.

SECTION IV: FOOD ADDITIVE REGULATIONS

Serbian regulations of food additives are specified in the ordinance on "Rule Book for Quality and Conditions for use of additives in foodstuffs and about other requirements for additives and their mixtures" (Official Journal SCG No. 36/2003, 5/2004, 16/2005).

According to that ordinance, additives are substances that are not foods (regardless of their nutritive value) but are added to foods during processing because of their effect on the food's organoleptic characteristics. Substances added to enrich nutritive value and salt are not considered additives. Additives can be added to foods if approved and listed in the so-called "Positive List" provided in the above-mentioned ordinance (approximately 500 additives in total). The quantity used must be in accordance with specific regulations for each group of products. Additives must not affect/decrease a food product's nutritive value or change significantly the taste and flavor of products, unless this is the intent. They also must not create toxins in products during the processing, storage or use. They must be identifiable, which means that their type and quantity in products can be tested, unless they were removed or destroyed during processing. Additive usage generally must be justified from a technical standpoint.

Additives are divided into 22 categories according to the "Positive List": color, preservative, antioxidants and synergists of antioxidants, acids, pH regulators, coagulants, stabilizers, emulsifiers, emulsifying salts, substances for gel formation, humectants, substances for dough raising, hardeners, anticoagulants, aroma enhancer, processing accessory substances against foaming, substances for glazing, substances for flour treatment, substances for volume enhancement, propellant, sweeteners, modified starch. As per clause no.13 of the same rulebook related to the additive usage in foodstuff - it is mandatory to declare "genetically modified (GMO)" if the additive is GMO or contains GMO components. As per clause no. 14, Etilenoxid cannot be used for the sterilization of additives used for the food production.

For each of the abovementioned groups there are specific requirements for additives' labels that must clearly indicate the following:

- The additive's name according to the "Positive List", or mixture name, including its usage and brand name if any,
- The manufacturer's name and complete address,
- The date of manufacturing (day/month/year) and "best before" date,
- The product's net-weight (mass or volume) in metric units,
- Basic ingredients:
 - For additives: The basic ingredient (active component) and its quantity in units or percentage compared to product's net-weight. An additive's basic ingredient is its active component. Additive carriers (e.g. ethanol) must be declared.
 - For additive mixtures: List additive names from the "Positive List" in order of their predominance compared to product's net-weight. If certain additives can be used only in limited quantity, the quantity must be declared.
- Name of the country of origin-if imported
 - Printed indication that additive is GMO
 - Other information important to consumers

The product's name and the manufacturer's name must be printed in larger fonts (size not specified). Labels must indicate the company that did the packaging (name and address) if different from manufacturer.

Sodium nitrite, potassium and saltpeter mixtures used for pickling may be sold but only in original packaging and must be marked as "warning – poison" and "keep in dry place."

SECTION V. PESTICIDE AND OTHER CONTAMINANTS

All imported food products into Serbia must comply with domestic rules on pesticides and other contaminants. Serbia is a member of the Codex Alimentarius Commission, the CODEX; thus maximum residue limits (MRLs) are generally recognized for imported foodstuffs. There is a specific ordinance on residue limits for pesticides and other contaminants, (e.g. hormones, antibiotics and mycotoxins) which can be found in food. This is the ordinance on "Quantity of Pesticides, Metals, Antibiotics, Hormones and other Contaminants in Food" published in the Official Gazette No. 32/2002. According to the ordinance, pesticides are defined as substances used for protection of agricultural products against diseases and pests. Pesticides and their maximum residue limits in foods are listed in a special attachment. The list includes over 200 different pesticides, their commercial names, chemical names and maximum contents in milligrams per kilogram (mg/kg) of food. For concentrated and dehydrated products (e.g. milk powder, dried soups) the maximum quantities are being calculated for a product that is used for final consumption (on a liquid basis, e.g. liquid milk and soups).

Food contaminants are listed as lead, cadmium, mercury, zinc, tin, copper, arsenic, iron and other metals and nonmetals. The ordinance provides a table with maximum residue limits for 47 different foods (expressed in mg/kg). Hormones and antibiotics residues are generally not allowed in food products. Maximum residue limits of mycotoxins are also regulated for grains, flour, legumes, beans, nuts, coffee, roasted cocoa and peanuts. These lists are available from the FAS office in Belgrade (see Appendix II).

Serbia has a list of approved pesticides and fertilizers that can be imported and traded. These lists can be obtained from the Phytosanitary Departments, Import and Registration of Pesticides at the Ministries of Agriculture (see Appendix II). The latest list of pesticides approved for import was published in the Federal Official Gazette RS No. 9/2008, while the list of fertilizers approved for import and trade was published in the Federal Official Gazette RS No. 14/08.

Trade, imports and sampling of pesticides are regulated by the ordinance of "Trade, Imports and Sampling of Imported Pesticides", the Official Gazette: SRJ No. 58/2001 and RS No. 104/2005. Trade, imports and sampling of fertilizers are regulated by the ordinance of "Trade, Imports and Sampling when Importing Fertilizers", the Official Gazette: SRJ No. 59/2001. Import permits for plant protection products and fertilizers must be obtained from the Serbian Ministry of Agriculture, Phytosanitary Departments.

SECTION VI. OTHER REGULATIONS AND REQUIREMENTS

Importers of live animals and products of animal origin must request import approval from the Serbian Ministry of Agriculture (see Appendix I for contact). Serbian import requirements are in accordance with the Office of International des Epizooties (OIE) requirements. Serbia is a member of the OIE since May 2003.

Following the outbreaks of FMD, BSE and Avian Influenza in Europe in recent years, Serbia banned imports and transportation of live domestic and wild animals and their products as

well as feed containing proteins of animal origin from a number of countries. As per a decree issued in March 2007, Serbia allows the import of livestock, milking cows and embryos, milk, meat and meat products from selected countries, divided into four categories per a risk assessment analysis. The decree "Undertaking Measures for Prevention of Animal Diseases Importation" into the Republic of Serbia" issued by the Ministry of Agriculture (Official Gazette RS 26/07) and can be obtained from the Ministry' Veterinary Department (see Appendix I).

Food products must be tested for microbe levels at laboratories of the Institutes for Public Health. The ordinance on "Microbiological Wholesomeness of Food" was published in the Official Gazette no. 46/02 and provides maximum content of different microorganisms in food products.

Certification and documentation: Live animals, meat and dairy products require veterinary certification, while seeds, fruits and vegetables require a phytosanitary certificate issued by the exporting country's relevant authorities (e.g. USDA/APHIS). Special certification is needed for veterinary drugs, demonstrating the drugs have been approved and used in the country of origin. Information can be obtained from the Serbian Ministry of Agriculture (Appendix I).

Foods that are subject to veterinary and phytosanitary inspections can enter on all border crossings where veterinary and phytosanitary border inspection posts exist. Importers should always inform the Ministry of Agriculture in order to send the import permits to the relevant border inspection post at the point of entry. Inspection services are charged as per a published, official price list. Inspections will cost more if they are performed after regular working hours and/or on weekends and holidays.

Foreign Trade and Customs Policies

The Serbian Law on Foreign Trade (Official Gazette 101/2005, published on Nov. 14, 2005) and the Law on Customs Tariff (Official Gazettes 62/05, 61/2007 and Bylaw on Harmonization of Customs Tariff Nomenclature 112/05) regulate issues regarding foreign trade and customs tariffs. The Law on Customs Tariffs adopted changes in a number of tariff lines that are now in accordance with the EU tariff schedules. Customs tariffs for some agriculture commodities have been changed while the majority of tariffs remained unchanged. The Law on Foreign Trade in Serbia, in principle, is designed to promote free trade of goods and services. Restrictions and imports bans, however, are applied to protect public health and guard the domestic market against subsidized or dumped products.

Although Serbia has its own Customs Administration, it has applied the Harmonized System (HS) of commodity description and coding. Customs tariffs for agricultural products range from one to 30 percent of imported values, with additional levies and seasonal taxes for some agricultural products based on unit weight, in Dinar or Euro/kg for product specific tariff information. Serbia continues to protect its domestic agriculture production with higher customs tariffs (agriculture production currently accounts for 24 percent of GDP in Serbia).

The harmonization of Serbian customs tariffs was necessary to facilitate customs clearance with EU countries that are among the main Serbian trade partners and to assist future WTO negotiations. As per the Bylaw on Harmonization of the Customs Tariff Nomenclature (Official Gazette 112/07), the number of tariff lines decreased from 10,268 to 10,181. Tariff lines for agriculture commodities also decreased from 2,511 to 2,341 (Chapter 1-24). Custom protection for agriculture commodities is 14.51 percent on average.

On September 24, 2007, the Serbian Parliament ratified the Central European Free Trade Agreement (CEFTA). Serbia is the largest net exporter among all CEFTA signatory countries, with 32.4 percent of its total exports going to CEFTA countries and 7.7 percent of imports comes from these countries. The chambers of commerce of CEFTA members established three working groups to help eliminate trade barriers, with CEFTA's implementation slated to begin by the end of the year and full trade liberalization is expected by the end of 2010.

Customs and Taxation

Following the amendments of the Customs law and Customs tariffs, Serbia passed a number of implementing legislative acts. The Warehouse legislation has been amended to be aligned to the EU *acquis* and some simplified procedures have been set up (summary declaration procedure and simplified declaration). Serbia has adopted a new law on free trade zones offering tax breaks and simplified procedures, while enabling foreign owned companies to establish and manage free trade zones in Serbia.

Overall, Serbia has reached a relatively good level of alignment with the EU customs *acquis* (except in areas such as transit or newly adopted *acquis*) and there is substantial progress regarding origin. In particular, significant improvements have been noted in the field of control and management of the preferential trade measures (origin). This results from not only the existence of a satisfactory management of customs procedures through computerized systems, but also an intensified training of customs officers. Concerning taxation, taxes are applied at the same rates for locally produced and imported goods. As of January 2005, Serbia is applying value-added tax (VAT) of 18%, though for most agricultural goods the VAT was reduced to 8%.

Internal Market

Preparations for alignment with EU regulations were launched in early 2006 for framework legislations such as the Law on Standardization, the Law on Accreditation, the Law on Metrology and the Law on Technical Requirements for Products and Conformity Assessment of Products. Following the adoption of a framework Law on Consumer Protection in 2005, the Government has set up a Consumers Protection Council which started its work in the second quarter of 2006. Serbia has also created local consumer offices in three major cities: Belgrade, Niš, and Novi Sad. However, the administrative capacity remains weak and active consumer protection policy needs to be further strengthened. Serbia needs to make sustained efforts to achieve adequate administrative capacity for active consumer protection in line with EC consumer protection policy. Some progress can be reported in the area of health protection. The Serbian legislation on the prohibition on indoor smoking was amended in November 2005, introducing sanctions in case the legal requirements were not respected.

Serbia's preparations for legislation harmonization with the European Union (EU) and WTO regulations is progressing relatively well in the area of agriculture and fisheries. Some work, however, need to be done particularly in the area of food safety and phytosanitary. The new drafts of the Food Safety Law and the Veterinary Law have clarified the issues of repartition of competences in the area of food and feed control that represented a concern for Serbia's trading partners. It is expected that the recently completed draft of the Food Safety Law will comply with the WTO, EU related regulations (Regulation (EC) No. 178/2002 of the European Parliament and the Council). The Ministry of Agriculture is planning to send the draft of the Food Safety and Veterinary law to the Parliament for final approval procedures, most likely in fall 2008.

SECTION VII. OTHER SPECIFIC STANDARDS

Alcoholic beverages (Official Gazette SCG, no.24/2004), wine (Official Gazette SCG, no. 54/99, 39/2002), nonalcoholic beverages and tobacco products are subject to specific taxation rules and requiring import license issued by the Ministry of Finance. The Ministry of Finance issues control excise stamps, which are to be included in the packaging prior to import to Serbia. Drafts of the new Law on Wine and Law on Liquor have been completed and submitted for public discussion and comments. Serbia also adopted a Law on Tobacco in 2005 (Official Gazette RS 101/05, 90/07) introducing certain labeling requirements for cigarette packets.

The "Law on Organic Agricultural Production" published in the Official Gazette 62/06 regulates agriculture products and other production produced by the methods of organic production. It also regulates processing, storage, transport, certificate issuing, labeling, declaration and trading of organic products.

SECTION VIII. COPYRIGHT AND/OR TRADEMARK LAWS

The "Law on Special Authorization of the Efficient Protection of the Intellectual Properties" (Federal Official Gazette No. 46/2006) protects trademark, service and brand names. Trade or service marks receive protection for a 10-year term from the date of filing, with the term being extendable. This new law on trademarks is currently being brought up to the Trade Related International Properties-TRIPs standards.

Serbia also applies the Law on Trademarks (Federal Official Gazette SRC No.61/04) governing the manner of acquisition and the protection of rights with respect to marks used in trade of goods and/or services. The Federal Law on Patents (Federal Official Gazette No. 32/2004-02.07.2004.) protects and regulates patents, while the Federal Law on Copyrights (Federal Official Gazette No. 61/2004) regulates copyright matters.

Domestic and foreign applications must be submitted to the Federal Intellectual Property Office (see Appendix II). Serbia is a member of the World Intellectual Property Organization (WIPO) and signatory to a large number of conventions such as the Paris Convention Treaty on Patent Cooperation and the Madrid Agreement on International Registration of Marks.

SECTION IX. IMPORT PROCEDURES

Foreign suppliers can export food products to Serbia using a locally registered office or a local company, shipping agency or forwarding agent registered for import activities. It is common for agents to help with food import regulations.

Import approvals for agriculture commodities should be obtained from the Ministries of Agriculture. Import approvals are required for import of live animals and all products of animal origin with more than 2 percent of animal component, genetics, veterinary drugs, seeds and planting materials or pesticides. Prior approval is not required for other food products.

All food products must be accompanied by standard documents that follow each shipment and by health certificates issued by relevant authorities of exporting countries (e.g. veterinary certificate for meat and meat products, phytosanitary certificates for fruits, vegetables, seeds, planting material etc) and are subject to veterinary and phytosanitary inspections at border crossings and sanitary and market inspections at customs points.

Foods of animal origin and veterinary drugs: Import approvals are processed at the Veterinary Departments of the Serbian Ministries of Agriculture. Import forms are available online at the Ministry of Agriculture's Website but can be obtained from the Ministry's Veterinary Department or from the Department for International Trade and Collaboration.

Seed and Planting Materials

Imports of seeds and planting materials into Serbia are regulated by the Law on Seeds (Serbian Official Gazette no. 45/05), the Law on Planting Material of Fruits, Vine and Hops (Serbian Official Gazette no. 18/05) and the Law on Reproductive Material (Serbian Official Gazette No. 08/05).

The current Law on Seeds does not regulate production and marketing of GMO seeds or agricultural plants. Imported seeds must be accompanied by bill of lading, phytosanitary certificate, variety of seed certificate, and Quality of Seed Certificate (ISTA). Imported seeds must have a declaration issued by the relevant institution in the country of origin when they enter the Serbian market. Since the current Law on Seed is not fully harmonized with EU legislation, WTO or the Union of Protection of New Varieties of Plants (UPOV) requirements, a working group from the Ministry of Agriculture has prepared a draft of a new Law on Seed that is expected to improve system of control and certification of seeds. The draft of the new is schedule to go for public discussion in fall 2008.

Sanitary inspectors visually inspect all food for sanitary wholesomeness prior to customs clearance visually and take samples for laboratory tests (Appendix II). Imported goods are held at the customs point until testing is complete. If the market inspector rejects a shipment, goods can be stored until the clearance procedure is completed. When the required procedure is completed the inspector can either release the shipment, order the re-export or destruction of goods, if necessary, at the importer's cost. The inspector can also order certain changes in the shipment prior to customs clearance and release of the goods.

APPENDIX I. GOVERNMENT REGULATORY AGENCY CONTACTS

1. Import of live animals and products of animal origin, veterinary drugs:

Serbian Ministry of Agriculture and Water Management

Veterinary Department (International Trade)

Omladinskih brigada 1,

11000 Belgrade, Serbia

Tel: ++ 381 11 2602 634

Fax: ++ 381 11 2602 498

Sinisa.Kotur@minpolj.sr.gov.yu

2. Import of seeds and planting material:

Serbian Ministry of Agriculture and Water Management

Phytosanitary Department

Omladinskih Brigada 1,

11070 New Belgrade, Serbia

Contact person: Svetlana Stankov

Tel: ++ 381 11 21 20 462

Fax: ++ 381 11 2604 576

E-mail: stankov.svetlana@minpolj.sr.gov.yu; upravabilje@yahoo.com

3. Import of pesticides:

Ministry of Agriculture and Water Management
Phytosanitary Department/Import and registration of pesticides
Omladinskih Brigada 1,
11070 New Belgrade, Serbia
Contact person: Ms. Snezana Petric -Savcic
Tel: ++ 381 11 2600 081; 602 555 ext 3054
Fax: ++ 381 11 2602 320
E-mail: snezanasp@yubc.net

4. GMO approvals and registrations:

Serbian Ministry of Agriculture and Water Management
Omaldinskih Brigada St. 11070
New Belgrade, Serbia
Tel: ++ 381 11 3620 773
Fax: ++ 381 11 3131 971
Contact: Mrs. Vanja Kojic or Marina Cvetkovic
E-mail: Vanja.Kojic@minpolj.sr.gov.yu and/or m.cvetkovic@minpolj.sr.gov.yu

5. Inspection on sanitary conformity:

Serbian Ministry of Health
Department for Sanitary Inspection
Nemanjina 22-26
11000 Belgrade, Serbia
Tel: ++ 381 11 361 62 64
Fax: ++ 381 11 361 47 00
E-mail: sanitarnainspekcija@zdravlje.sr.gov.yu
Web page: www.zdravlje.sr.gov.yu

6. Market inspection:

Serbian Ministry of Trade
Department for Market Inspection
Nemanjina 22-26
11000 Belgrade,, Serbia
Tel: ++ 381 11 3631 136
Fax: ++ 381 11 3610 258

7. Alcohol, nonalcoholic beverages, tobacco:

Serbian Ministry of Finance
Nemanjina 22-26,
11000 Belgrade, Serbia
Contact Person: Darko Jaksic
Tel: ++ 381 11 3617 595
Fax: ++ 381 11 3616 535
E-mail: djaksic@minpolj.sr.gov.yu
Web page: www.mfin.sr.gov.yu

8. Customs clearance:

Serbian Custom Administration
Bul. AVNOJ-a 155
11070 New Belgrade, Serbia
Tel: ++ 381 11 2690 822
Web page: www.fcs.yu

9. Institute for trade marks, patents and intellectual property

Federal Intellectual Property Office
Zmaj Jovina 21, 11000 Belgrade
Tel: ++ 381 11 2630 499
Fax: ++ 381 11 311 23 77
E-mail: yupat@gov.yu
Web page: www.yupat.sv.gov.yu

10. Serbian Government Official web page: www.serbia.sr.gov.yu

APPENDIX II. OTHER IMPORT SPECIALIST CONTACTS**1. Office of Agricultural Affair (Foreign Agricultural Service (FAS))**

U.S. Embassy Belgrade
Kneza Milosa 50,
11000 Belgrade, Serbia
Tel: ++ 381 11 306 4927
Fax: ++ 381 11 306 4922
Contact: Agriculture Specialist Dragana Dimitrijevic/Tatjana Buric (on long-term leave)
E-mail: dragana.dimitrijevic@usda.gov, tatjana.buric@usda.gov
Web page: www.http:/belgrade.usembassy.gov/

2. Serbian Ministry of Agriculture

Nemanjina 22-26,
11000 Belgrade, Serbia
Tel: ++ 381 11 3065 038
Fax: ++ 381 11 3616 272
E-mail: office@minpolj.sr.gov.yu
Web page: www.minpolj.sr.gov.yu

3. University of Belgrade, Veterinary Faculty

Bul. JNA18,
11000 Belgrade, Serbia
Tel: ++ 381 11 361 5436
Fax: ++ 381 11 685 936
Web page: www.vet.bg.ac.yu

4. Institute of Meat Hygiene and Meat Technology

Kacanskog 13,
11000 Belgrade, Serbia
Tel: ++ 381 11 2650 655
Fax: ++ 381 11 2651 825
E-mail: meatins@beotel.yu

5. National Laboratory for Seed Testing

Maksima Gorkog 30,
21000 Novi Sad, Serbia
Tel: ++ 381 21 421 248
Fax: ++ 381 21 421 249
E-mail: mirjana@ifvcns.ns.ac.yu

6. Institute for Public Health "Dr. Milan Jovanovic Batut"

Dr. Subotica 5,
11000 Belgrade, Serbia
Tel: + 381 11 2684 566
Fax: +381 11 2685 735
Web page: <http://www.batut.org.yu/english.html>

7. Agriculture Faculty Belgrade

Nemanjina 6,
11080 Zemun, Serbia
Tel: ++ 381 11 2615 315
Fax: ++ 381 11 2193 659
Web page: www.agrifaculty.bg.ac.yu

8. Agriculture Faculty Novi Sad

Trg D.Obradovica 8,
21000 Novi Sad, Serbia
Tel: ++ 381 21 450 355
Fax: ++ 381 21 459 761
Web page: <http://polj.ns.ac.yu>

9. Institute for Molecular Genetics and Genetics Engineering

Vojvode Stepe 444a
11001 Belgrade, Serbia
Tel: ++ 381 11 3975 744
Fax: ++ 381 11 3975 808
Web page: www.beogene.bg.ac.yu

10. Serbian Chamber of Commerce

Resavska 13-15
11000 Belgrade, Serbia
Tel: ++ 381 11 324 0611
Fax: ++ 381 11 3230 949
Web page: www.pks.co.yu

11. The Intellectual Property Office

11 000 Beograd, Kneginje Ljubice 5
Republic of Serbia
Telephone: +381 11 20 25 800;
Fax: +381 11 311 23 77; +381 11 26 29 483
Web page: http://www.yupat.sv.gov.yu/en/home/o_zavodu.html

Web page on Agriculture and Food Production in Serbia: www.serbiafood.co.yu